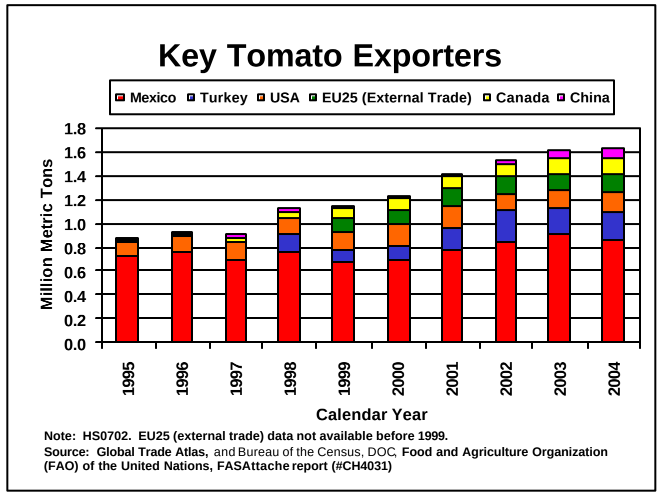
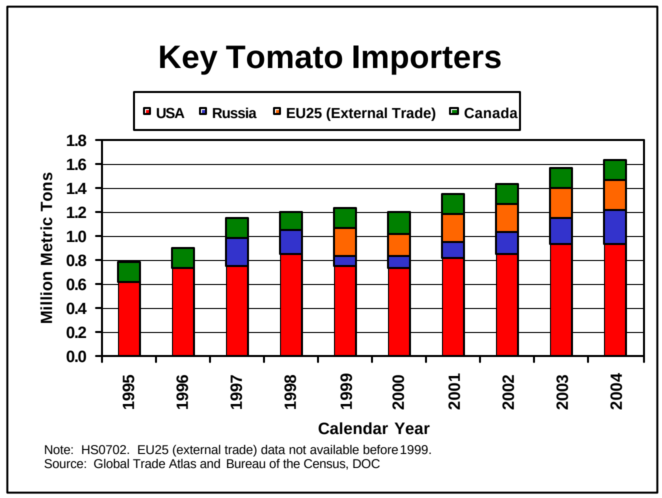
World Tomato and Tomato Products Situation and Outlook

In 2004, Mexico continued to be the world's leading fresh tomato exporter, followed by Turkey, the United States, and the European Union-25 (EU25), according to data from the Global Trade Atlas (GTA), Food and Agriculture Organization (FAO) of the United Nations, and FAS attaché reports. The United States was the leading importer of fresh tomatoes in 2004. Other notable importers include Russia, the EU25, and Canada.



According to the GTA, China is the world's largest tomato paste and purée exporter, with 2004 exports of 438,192 tons. China continues to make inroads in the world market. In the last few years, China has bought major tomato processors in the EU. As a result, European exports of tomato paste and purée have declined. From 2002-2004, EU25 exports of paste and purée decreased 23 percent, while China's rose 34 percent.



Production and Trade for Selected Countries

China

China continues to expand tomato production and processing capacity. In marketing year (MY) 2005/06, fresh tomato production is forecast at 34.9 million tons, 2 percent more than the previous year. Additionally, tomato paste production for the same year is expected to reach 722,500 tons, a 6-percent increase over MY2004/05.

Chinese exports of fresh tomatoes and processed products are also expected to grow. Currently, China exports small quantities of fresh tomatoes to neighboring countries. However, stringent pesticide residue requirements have recently restricted Chinese vegetable exports to Japan and other major importers, but this is expected to change since China plans to tighten its pesticide requirements. Additionally, Chinese tomato exports for processing are likely to expand as China continues to purchase processing plants in France and other key countries.

Chinese canned tomato exports are expected to rise 60 percent to 13,000 tons in MY2005/06. Paste exports are forecast to rise 6 percent to 558,250 tons in MY2005/06, boosted by recent investment in domestic processing facilities, improved quality, competitive prices, and planned tariff cuts under the proposed free trade agreement between China and the Association of Southeast Asian Nations. However, higher electricity and water costs in China are expected to offset future expansion of canned tomatoes and paste. For additional details, please see Attaché Report #CH5038.

France

France's tomato production is expected to drop 1 percent in MY 2005/06 to 832,000 tons. This drop is due to processing tomato production declines and the purchase of the leading French processor by a major Chinese company to reprocess imported Chinese paste for sale in the European market. French paste production is expected to drop 4 percent to 30,000 tons in MY2005/06, while exports are forecast to remain the same. For additional details, please see Attaché Report #FR5043.

Greece

Favorable weather benefited Greece's tomato production in MY2005/06, and analysts forecast production at close to 1.8 million tons, down about 12 percent from MY2004/05. Farmers planted less due to large stocks left over from the previous marketing seasons and strong competition from China. Paste and canned tomato production is also expected to drop, with MY2005/06 levels forecast at 146,500 tons, down 19 percent, and 41,500 tons, down 17 percent, respectively.

MY2005/06 exports of paste are forecast to remain at 135,000 tons. Canned tomato exports are expected to be slightly lower at 22,000 tons. For additional details, see Attaché Report #GR5017.

Israel

Post is forecasting that production and exports of tomato products for MY2005/06 will drop due to a decrease in demand in international markets and stronger competition from Turkey and the EU. In MY2005/06, Post forecasts canned tomatoes, paste, and sauce production to drop about 21-24 percent to 17,000 tons, 20,500 tons, and 7,150 tons, respectively. Canned, paste, and sauce exports are forecast to fall about 18-32 percent to 8,600 tons, 7,000 tons, and 950 tons respectively. MY2005/06 canned and paste imports are expected to remain the same. For additional details, see Attaché Report IS#5006.

Italy

Total tomato production is forecast at 5.3 million tons in MY2005/06, down 17 percent, due to record production and high stocks from the previous year. Processing tomatoes account for 80-98 percent of Italy's tomato production. Production of paste, canned tomatoes, and sauce are forecast to decline 15-25 percent in MY2005/06, due primarily to competition from China.

In contrast, exports of canned tomatoes and sauce are expected to increase 18 percent and 5 percent, respectively. However, paste exports will remain flat due to robust competition, mainly from China. For further details, please see Attaché Report #IT5021.

Portugal

Paste production is projected at 145,000 tons for MY2005/06, down 12 percent from the previous year, due to a lower tomato supply. Post is forecasting that paste exports will reach a record 125,000 tons in MY2005/06, up almost 10 percent from the previous year. Analysts expect that the Portuguese industry will continue to price their products competitively in order to compete and reduce stocks. For details, please see Attaché Report #SP5016.

Spain

Production of processed tomato products is forecast down for MY2005/06 due to an expected drop in the fresh tomato supply, market surplus, and high stocks. Canned tomato production is expected to drop 14 percent to 162,500 tons. Paste production is expected to decline 8 percent to 300,000 tons.

Post is forecasting that exports of processed tomato products will reach record levels during MY2005/06. Analysts estimate that canned tomato exports will rise 23 percent to 80,000 tons and paste will rise 13 percent to 180,000 tons, as industry maintains low prices in order to reduce stocks. For details, please see Attaché Report #SP5016.

Turkey

Production of fresh tomatoes and paste is expected to decline in MY2005/06. Post forecasts Turkish fresh tomato production at 9.5 million tons in MY2005/06, down slightly, due to the decline in processing tomato production. Paste production is expected to drop 4 percent to 260,000 tons, due to declining supplies, low prices, and strong international competition.

A strong Turkish Lira and competition from China and Iran have limited Turkey's ability to export paste. Additionally, an ongoing trade dispute with the EU means that Turkey can't utilize the EU 30,000-ton tariff rate quota and must pay a 14.4 percent out-of-quota tariff. For details, please see Attaché Report #TU4021.

United States

In California, despite unseasonable rains and planting delays, the crop is generally in good condition. In the East Coast, tropical storms and hurricanes have been pummeling crops. USDA/Economic Research Service (ERS) estimates processed tomato production at 9.7 million tons in 2005, a 13-percent decline from a year ago, coming down from record highs in previous years. Fresh market tomato production is expected to increase modestly to 1.9 million tons.

From January to April 2005, U.S. tomato exports were 45,392 tons, up 5 percent over the same period in 2004, and valued at $54.4 million, up 24 percent. Imports during this same period were 405,522 tons, down 10 percent, valued at $408 million. Ten years ago, tomato imports accounted for 31 percent of domestic consumption, and ERS forecasts it will grow to 38 percent in 2005.

The FAS Attaché Report web search engine allows users to search for the selected vegetable industries for selected countries. For information on production and trade, contact Shari Kosco at 202-720-2083. For information on marketing, contact Krista Dickson at 202-690-1341.